

An anti-capitalist Left in Latin America?*

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A few weeks ago, the Chavez-Morales pair caused a significant stir in the European part of the transnational elite with their decision to nationalise or expropriate the energy resources in their countries. At about the same time, an old cadre of the ex-‘New Left’ (which has long ago joined the present post-modern reformist Left) stressed in an interview^[1]: “what we need is a structural change and the model for it is coming from... Latin America, Chavez in Venezuela, Morales in Bolivia and, to some extent, Castro in Cuba (who)... in various ways offer an anti-capitalist alternative to the present globalized world... and reverse the neoliberal process...showing... that another world is possible, if there is a political leadership with such a vision.”

At the same time, the recent Athens conference of the European Social Forum (ESF) declared that: “Important political changes have materialized in Latin American countries that have shaken the neo-liberal offensive, and in some of them popular mobilizations managed to reverse the privatization process”.^[2] The same conclusion is repeated by almost every analyst of the reformist Left (from Noam Chomsky to Perry Anderson), as is pointed out by James Petras,^[3] a radical expert on Latin American issues, in his recent article on the new regimes in Latin America aptly entitled ‘New Winds from the Left or Hot Air from a New Right’? So, what is myth and what is reality in today’s Latin America?

At the outset, I think we have to distinguish between ‘progressive’ regimes of the kind of Brazil’s Lula (for whom the reformist Left was until recently an enthusiastic supporter — although its enthusiasm for him was recently diluted) and those of Venezuela and Bolivia.

As regards the former regimes (Brazil, Argentina, Uruguay and, to some extent, Bolivia itself), Petras^[4] concludes:

By the commonly understood criteria of the Left, the Latin American regimes hailed by many intellectuals as “New Winds from the Left” fail to meet the test: none pursue redistributive policies; most have implemented regressive budgeting policies, subsidizing big business and reducing expenditures for social policy; class selective austerity programs have been applied prejudicial to minimum wage earners and low-paid public employees in health and education; privatizations — legal and illegal — have been extended and deepened, even of lucrative publicly owned mineral and energy sectors; foreign investors have been given privileged access to local markets, cheap labour and privatized enterprises and banks.

It should be noted here that this conclusion was drawn on the basis of a series of generally accepted —and far from radical— criteria on the meaning of Left politics: decreasing social

inequalities; increasing living standards; greater public and national ownership over private and foreign ownership; progressive taxes (income/corporate) over regressive (VAT, consumption); budget priorities favouring greater social expenditures and public investments in jobs rather than subsidies and foreign debt payments; promoting and protecting national ownership of raw materials over foreign exploitation; diversification of production to value added products as opposed to selling unprocessed raw materials; subordinating export production to the development of the domestic market over export oriented strategies; reversing prejudicial privatizations against extending and consolidating privatizations; increasing the minimum wage against excess foreign debt payments and so on.

To my mind, the only amendment needed to the above conclusion refers to the Morales regime which very recently decided to expropriate the energy resources of Bolivia (oil has been nationalized twice before in 1937 and in 1969, and then it was privatized again due to the lack of indigenous capital and technical knowledge) —a fundamental demand of the bloody Indian demonstrations for years. It should be noted here however that, almost just before Morales took this decision, he had already signed a pact with the Confederation of Private Businessmen of Bolivia committing himself to maintaining “macro-economic stability” and “international credibility” of the country—in other words, to cut social spending, promote private and foreign investment, prioritize exports, maintain monetary stability, etc.

It is therefore obvious that it is only with respect to the regimes in Venezuela and Bolivia that one could possibly argue that they set the foundations for an anti-capitalist alternative. However, leaving aside the anti-imperialist rhetoric of Chavez (a rhetoric which is also full of contradictions —see e.g. his Porto Alegre 2005 talk in which he characterised Jesus Christ as the greatest revolutionary in History(!), whilst at the same time he supported the social-liberal Lula) his basic aim, according to his strategic plan for “Socialism of the 21st Century”, is endogenous development. This is a development supposedly leading to “a maximisation of collective well-being, which entails a fair distribution of the wealth” (mainly through free education and some rather timid agrarian reforms) and a fair distribution of income (through spending of part of the oil income for subsidies of various sorts), greater independence from the metropolitan centers and participatory (not direct) democracy.^[5] However, even when this program refers to the construction of a ‘new production model towards the creation of the new economic system’ it further clarifies that what endogenous development means is “the creation and consolidation of a diversified, efficient and progressively self-sufficient national productive structure”—all this, without even mentioning the need of replacing the capitalist market economy with an alternative system of allocation of productive resources! Instead, the need is stressed to use the market economy for an endogenous and inward-looking development with a significant state interventionism combined with private and foreign investment. In essence, this kind of development refers to a return to the economic policy of many Latin American countries before neoliberal globalisation. The new element added to this policy is the enhancing of the regional integration within a new ‘solidarity-based’ Latin America, which would allow for a policy of inward-looking development. All this, ignoring the fact that such integration is totally non-feasible as long as Latin America continues to be an organic part of the present system of open and deregulated markets—something nobody refers to!

Therefore, the conclusion we can draw on the political changes in Latin America is that most of the ‘New Winds from the Left’ concern a belated rise of social-liberal regimes in

power, passing as ‘Left’ regimes and capitalising on popular dismay over capitalist neoliberal globalisation. This sets the foundations for a repetition of the European political play in which, for the last twenty years or so, social-liberal regimes succeeded neoliberal regimes when popular dismay pushed the latter out of power and vice versa when political dismay, as a result of the fact that nothing had essentially changed by the centre-Left governments, brought neoliberal regimes back to power!

However, in Venezuela and Bolivia, under the strong pressure of the popular movements in these countries and particularly in Bolivia, an attempt is made for a transition to some kind of a ‘socialist’ market economy of the old mixed economy type, through reforms. But, as Petras,^[6] in a more recent article stresses, “both regimes have not abolished most of the essential elements of capitalist production, namely private profits, foreign ownership, profit repatriation, market access or supply of gas, energy or other primary goods, nor have they outlawed future foreign investments”, with Venezuela’s huge Orinoco heavy oil fields, the richest reserves of oil in the world, still owned by foreign capital. In fact, Petras concludes, Chavez and Morales are merely modernizing and updating petrol-nation state relations to present world standards and the major conflicts of these two regimes with the centers of the transnational elite in USA and EU have nothing to do with capitalism vs. socialism, nor even private ownership versus nationalization of property, let alone social revolution leading to an egalitarian society, but merely with conflicts over Increases in taxation, prices and royalty payments, management of distribution and export sales, etc. He rightly therefore emphasizes that:

“These proposed regulations and reforms may increase state reserves and influence but none of these points of conflict involve a revolutionary transformation of property or social relations of production... In summary, the conflict is between democratically elected nationalist leaders supporting a mixed economy to finance social welfare against the US and EU empire building, interventionist policies intent on preserving the “Golden Age” of pillage of unregulated privatized economies and their privileged excessively low tax payments in exploiting energy resources.”^[7]

On the basis of the above analysis and the lessons of History in general, as well as those of Latin America, one could reasonably predict that these experiments are doomed to failure, probably through a systematic economic –if not physical– strangulation by the metropolitan centres, particularly the North American one. Once more, it is more than clear, that only the complete break of the Latin American peoples from the internationalised market economy and the parallel organisation of their self-defence could lead to a really alternative society to the capitalist nightmare and dependence, which have infested the Latin American peoples for so long.

* The above text is an extended version of an article which was first published in the fortnightly column of Takis Fotopoulos in the mass circulation Athens daily *Eleftherotypia* on 27/5/2006

[1] An Interview with Tariq Ali, *Eleftherotypia* (5/5/2006).

[2] [Declaration of the Assembly of the Movements of the 4th European Social Forum](#) (Athens: May 7, 2006).

[3] James Petras, "[New Winds from the Left or Hot Air from a New Right](#)," *Canadian Dimension* (March 8, 2006).

[4] *ibid.*

[5] see Thomas Muhr and Antoni Verger, "[Venezuela: Higher Education For All](#)," *Journal for Critical Education Policy Studies*, Vol. 4, No. 1 (March 2006).

[6] James Petras, "[Is Latin America Really Turning Left?](#)", *Canadian Dimension* (June 11, 2006).

[7] *Ibid.*